



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

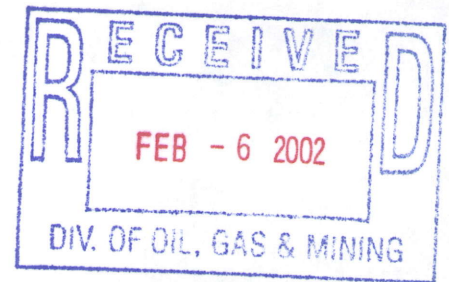
675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)
<http://www.trustlands.com>

Michael O. Leavitt
Governor

Stephen G. Boyden
Director

5/15/065

February 5, 2002



Clark R. Powell
P.O. Box 763
Huntington, UT 84528

RE: REPLY TO NOTICE OF BREACH OF LEASE AGREEMENT; ML 472657-CLAY

Dear Mr. Powell,

Thank you for your fax-letter received February 4, 2002., in response to my notice dated January 14, 2002. Your explanation of purported activity under the lease is satisfactory and is very much appreciated. The Trust Lands Administration has no objection to the Lessee taking grab-samples of the leased substances, using hand tools.

I understand that you will provide this office with written notification at least 60 days in advance of any exploration, drilling, trenching or mining using other than hand tools or any other activity under the lease that may significantly impact the surface of the leased lands.

Sincerely,

John T. Blake
Mineral Resources Specialist

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